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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

- ¶1. Mideast
- **1**2. Iran
- 13. U.S.-Israel Relations

Key stories in the media:

The media reported that yesterday PM Benjamin Netanyahu told the

cabinet that he would like to resume direct negotiations with the PA following the U.N. General Assembly meeting in late September. A senior diplomatic source in Jerusalem told HaQaretz yesterday that the U.S. has informed Israel that it is interested in assuming the role of "active mediator" during the talks, and in having Qa place at the negotiating table. However, FM Avigdor Lieberman told reporters yesterday that he sees no chance of peace. "In the 16 years since the Oslo Accords, we haven't managed to bring peace to the region, and I'm willing to bet that there won't be peace in another 16 years, either. Certainly not on the basis of the two-state solution, Lieberman was quoted as saying. Referring to President ObamaQs vision, Lieberman also noted: "The establishment of a Palestinian state within two years is an unrealistic goal."

 ${\tt HaQaretz}$ quoted sources close to the PM as saying they hope that if an understanding is reached regarding settlement construction, a three-way meeting could be held with President Obama and PA President Mahmoud Abbas at the U.N.

This afternoon, Netanyahu will travel to London where he will meet on Wednesday with U.S. Special Envoy for Middle East Peace George Mitchell, in order to continue the discussion on the administration's demands for confidence-building measures between Israel and the Arab world. The U.S. is demanding that Israel freeze temporarily construction in the settlements, and is asking the Arab world to begin normalizing ties with Israel immediately. reported that Netanyahu told the cabinet yesterday that his meeting with Mitchell in London is not expected to be the final one, and stressed that more meetings will be necessary before peace talks can "The discussions with Mitchell are just the beginning of a series of talks and exchanges that have been going on intensively recently, and in good spirits," the PM said. "There has been some progress, even though there is no absolute agreement. There is an attempt to minimize the degree of disagreement and discuss matters in a much more positive atmosphere. There is a wish to hold direct talks between us and the Palestinians, even though this depends on the understandings with the Americans and the Palestinians, Netanyahu told his cabinet colleagues. The media reported that Netanyahu held a meeting of his inner cabinet on Thursday night in which Qsignificant progressQ: was reported in negotiations with the U.S. over a settlement freeze.

HaQaretz recalled that the U.S. would like to be given guarantees by Israel that it will freeze settlement construction for at least a year, while Israel is offering a six-month hiatus. The newspaper cited the assessment of a diplomatic source in Jerusalem that a compromise of 9-12 months will be reached for construction in the West Bank, but will not include East Jerusalem or most of the 2,500 housing units whose construction has already commenced. Media quoted Peace Now as saying on Saturday that construction in the Jewish areas of the West Bank dropped 1.5 percent in the first half of 2009, compared to the second half of 2008. Speaking on Israel Radio this morning, Culture and Sport Minister Limor Livnat blasted the stateQs response to High Court of Justice rulings on the topic of illegal construction in the West Bank. Tzali Reshef, a founding member of Peace Now, countered her allegations.

HaQaretz reported that Egyptian intelligence chief Omar Suleiman is due to visit Israel next week to meet with political leaders. HaQaretz reported that Netanyahu spoke with Jordan's King Abdullah Sunday afternoon, and greeted him for the Holy Month of Ramadan, which commenced on August 22. The King reiterated the significance of the Arab Peace Initiative and said that "the negotiations must be resumed as soon as possible in order to resolve the dispute."

The PM is traveling to London at a time when domestically the political scene is relatively calm and his coalition appears to be stable. In the Forum of Six, the group of senior ministers in which sensitive political-security issues are discussed, there is unusually vocal opposition, and some of the participants are even urging Netanyahu onward toward progress on the diplomatic front.

Leading media reported that, in an op-ed article in The Los Angeles Times last week, Ben-Gurion University political science instructor

Neve Gordon called for boycott of, divestment in, and sanctions against Israel, which he dubbed an Qapartheid state.Q The article

sparked controversy in the U.S. and Israel.

Leading media reported that the first battery of the Israeli QIron DomeQ short-range missile defense system will be operational in June \$2010.

All media cited outcry in Argentina and Israel following Iranian President Mahmoud AhmadinejadQs choice of Ahmad Vahidi as his defense minister. Vahidi is wanted in the 1994 bombing of a Buenos Aires Jewish cultural center.

The media reported that on Friday President Obama greeted the Muslims on the occasion of the Ramadan and spoke of his Qunyielding support for a two-state resolution to the Israeli-Palestinian conflict.

HaQaretz reported that a delegation of Egyptian intelligence officials met this weekend with senior Hamas figures in Damascus. The newspaper said that they discussed the Gilad Shalit issue.

Yediot reported that the residents of the Bnei Adam settlement outpost decided over the weekend to remove the three trailers on the site voluntarily, as suggested to them two weeks ago.

Leading media quoted President Shimon Peres as saying in an interview published yesterday in the Kuwaiti daily Al-Rai that Israel "knows that Hizbullah has 80,000 rockets." He stressed, however, that Israel had no interest in going to war with Lebanon and that all differences between Syria, Lebanon, and Israel could be solved by negotiations. The President also accused Hizbullah of ruining Lebanon.

Citing an internal memo from a senior Tourism Ministry official, HaQaretz reported that the Interior Ministry promised the Tourism Ministry last week that tourists who declare that they intend to enter only the Palestinian Authority will have their passports stamped "Palestinian Authority only," while tourists who declare they intend to visit both Israel and the Palestinian Authority will have their passports stamped with a regular B2 tourist visa.

HaQaretz quoted Rep. Howard Berman (D-CA), the Chairman of the U.S. House of RepresentativesQ Foreign Affairs Committee, as saying last week during a closed meeting with Jewish leaders in Los Angeles, that the Obama administration is making a mistake in demanding that Israel completely freeze construction in the settlements.

Leading media reported that Jewish construction in the East Jerusalem of Ras El-Amud (according to HaQaretz, this would be East JerusalemQs largest settlement yet) might become a new contentious issue between the U.S. and Israel.

The media reported that Egypt is demanding that Israel apologize after IDF troops shot an Egyptian soldier patrolling the border, mistaking him for a terrorist. In an unrelated development, Maariv reported that PM Netanyahu has promised Egyptian President Hosni Mubarak no to oppose the appointment of the Egyptian Culture Minister to the Post of UNESCO Secretary-General. In exchange, Egypt started reconstruction work on CairoQs Synagogue on Saturday.

HaQaretz reported that the IDF is setting up a separate military court for West Bank youths. Until now, adults and minors were judged by the same legal authorities.

HaQaretz reported that Vice PM and Strategic Affairs Minister Moshe YaQalon and FM Lieberman will travel to the U.S. next month to deliver PR lectures for Israel. HaQaretz reported that the Israel Project, a pro-Israel lobbying group in the U.S., has launched a project intent on shifting the focus of the Obama administration away from West Bank settlements, claiming they are not an obstacle to peace and that their evacuation would amount to "ethnic cleansing."

Israel Hayom reported that FM Lieberman will support the creation of a new alliance comprising nations that have common interests with Israel. Lieberman ruled out RussiaQs participation in such a partnership, due to its many conflicts of interests with Israel.

Makor Rishon-Hatzofe reported on an QIslamic- and American-funded

construction impetus in East Jerusalem and the West Bank.

The media reported that yesterday PM Netanyahu called yesterday for the Swedish Government to condemn an article in a Stockholm newspaper suggesting IDF troops harvested the organs of Palestinians they killed. HaQaretz quoted an official present at the weekly cabinet session as saying that Netanyahu told his ministers he did not expect the Swedish government to apologize for the article in the tabloid Aftonbladet, but that he did not expect it to take a "We're not asking the Swedish Government for an apology, we're asking for their condemnation," the official quoted Netanyahu as saying. The PM added that the story was "reminiscent of medieval libels that Jews killed Christian children for their blood," the official was quoted as saying. Swedish Foreign Minister Carl Bildt has already rejected Israeli calls for an official condemnation. However, some sources in Jerusalem expressed satisfaction over an entry in the personal blog of Sweden's FM, which led some here to believe the official stance in Stockholm has softened. The media also reported that, during an address to students at the University Center in the settlement town of Ariel, FM Lieberman blasted Norway for celebrating the 150th birthday of Knut Hamsun, a noted Norwegian writer who demonstrated Nazi sympathies.

All media reported that yesterday, following a compromise agreed upon by High Court of Justice President Dorit Beinisch and others, the Judicial Appointments Committee appointed three new justices --BeinischQs favorite candidate Uzi Vogelman; U.S.-born, religious judge Neal Hendel; and Isaac Amit, who comes from a religious background.

11. Mideast:

Block Quotes: _____

"Focus on the Essence"

The independent, left-leaning Ha'aretz editorialized (8/24): QStopping the momentum of construction and settlement expansion in the West Bank is not an Israeli concession to the Americans or the Palestinians. Rather, it is in Israel's own interest.... Israel must freeze construction without circumventions and provocations. A construction freeze is not the goal, but the means to helping reach the essence: an Israeli-Palestinian agreement to end hostilities and the realization of the two-state solution, which even the Prime Minister now supports. In his meeting this week with Mitchell, Netanyahu needs to focus on removing obstacles that delay the renewal of talks with the Palestinians, instead of continuing to insist on limited construction in the settlements. If Netanyahu wants an agreement with the Palestinians, as he promised, he must save his political strength for the unavoidable conflict with his partners on the right -- not wear it down in detrimental feuding with the United States.

12. Iran:

Block Quotes:

The Director of the Interdisciplinary Center's Global Research in International Affairs Center, columnist Barry Rubin, wrote in the conservative, independent Jerusalem Post (8/24): QOnce Iran gets nuclear weapons, which is on the horizon, the alliance's value for Syria will rise dramatically. This is why it was silly for U.S. Secretary of State Hillary Clinton to suggest recently: QGiven what's been going on in Iran and the instability that appears to be present there, it may not be in Syria's interest to put their eggs into that basket.Q Well, Assad apparently doesn't agree with her.

[&]quot;Iran and Syria: So Happy Together"

Perhaps she should listen to what he's saying and watch what he's doing in order to draw the opposite conclusion.... Iran and Syria, along with their clients, are at war with America, and the U.S. Government doesn't even know it. That's why [Supreme Leader Ayatollah Ali] Khamenei remarked, QAmerica's blade has become blunter in the region.Q He's right. That's why if anyone is worried about putting all the eggs in one basket, nowadays it is America's Arab partners. The fact that the U.S. is perceived as weaker and foolish in the region is far more important than the fact that Obama might be more popular in public opinion polls. U.S. Government so intent on apologizing to everyone, all but ruling out the use of force or power politics and apparently -- in Iran's perception -- afraid to confront its enemies, they're concluding in Teheran and Damascus, as Ahmadinejad put it: QToday the world has realized that Western theories are not working anymore and that is why it needs the help and cooperation of Syria and Iran.Q An increase in economic sanctions, which is the main U.S. plan against Iran at present, is not going to change this perception -- or Teheran's behavior. But before effective action can be taken, there must be the realization that a conflict is going on, one that is far more important than the one between the U.S. and al-Qaida.

13. U.S.-Israel Relations:

Block Quotes:

¶I. "Huckabee IsnQt an Oddity"

Columnist Shmuel Rosner, who was HaQaretzQs correspondent in Washington, wrote in the popular, pluralist Maariv (8/24): QThe [U.S. presidential elections are still remote -- only in 2012. Nevertheless, it is worthwhile to look at the numbers [of the polls]: Obama -- 47 percent; [Mike] Huckabee -- 44 percent. The gap isnQt big. Huckabee presents the most attractive alternative to Obama.... Last year, when he competed in the Republican Party primaries ... he made some pronouncements that were far more unusual than expected: he favors a Palestinian state -- if it is established in Egypt or in Saudi Arabia, but not in the Land of Israel [Israel, including the territories]. All in all, he said at the time: QThere is no such thing as a PalestinianQ.... It is hard to guess whether he will persist in his diplomatic rebellion, even after a victory in the elections. But if he wins his partyQs nomination, it will be meaningful to watch his debates with Obama. After many years when debates on the Israeli-Palestinian issue have been encapsulated by: QI agree, but,Q candidates facing the American voters will just disagree Q even substantially.

II. "J StreetQs Dangerous Detour to the White House"

Lenny Ben-David, who served as a senior diplomat in the Israeli Embassy in Washington and a member of AIPACQs staff in Washington and Jerusalem from 1992 to 1997, wrote in the conservative, independent Jerusalem Post (8/24): QYasser Arafat sought peace with Israel, Jeremiah was a bullfrog, the Brooklyn Bridge is for sale, Brutus was an honorable man, and J Street is a pro-Israel organization. Not... Is the press reluctant to challenge an organization that has emerged as U.S. President Barack ObamaQs Qtoy JewsQ?... Why should a National Iranian American Council board member give at least \$10,000 to J Street PAC? Perhaps it is because of the very close relationship between the two organizations.... Does J Street's leadership perpetrate fraud when it portrays itself as pro-Israel to pro-Israel and anti-Israel audiences at the same time?.... Only opening all of its financial books will give J Street the kosher certification the progressive, pro-Israel, pro-peace community deserves.

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